

OPIS West Coast Spot Market Report

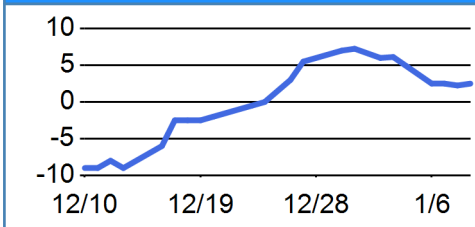
A Daily Report on U.S. West Coast Spot Prices plus News and Commentary



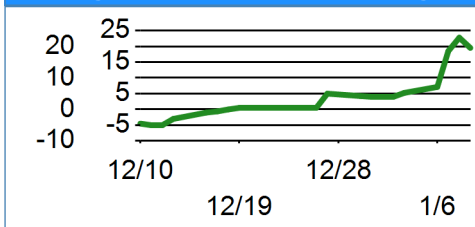
January 09, 2020

West Coast 30-Day Average Snapshot

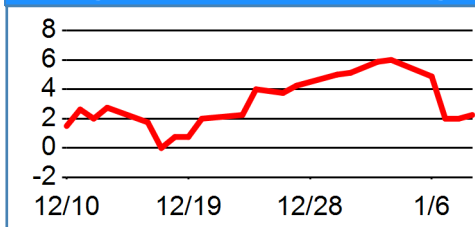
Los Angeles CARB No. 2 Basis (cts/gal)



Los Angeles CARBOB-R Basis (cts/gal)



Los Angeles Jet-Pipe LAX Basis (cts/gal)



WEST COAST PRODUCTS MOSTLY LOWER FOR THE SESSION

1/9/2020 - Oil futures had a choppy Thursday and whatever happens tomorrow, the big winners this week appear to be the exchanges, thanks to very brisk volumes. Refiners are having a rough January and marketers got some relief from some much-hoped-for wholesale price breaks in the last 48 hours.

February WTI lost 5cts bbl and settled at \$59.56/bbl. Expect to see quite a bit of conversation about whether the top of the eventual 2020 market was seen when prompt WTI fetched \$65.65/bbl just a couple of days ago. Similarly, Brent calmed down with late day quotes at \$65.37/bbl almost \$6.50/bbl below the weekly high.

Based on CFTC data, gasoline appears to be the most overbought energy contract, but the data doesn't show whether bets on higher prices are concentrated in winter, spring, summer or calendar positions. February RBOB closed up 0.39cts/gal today at \$1.6527/gal and the spot market in New York Harbor is only about \$4.17/bbl above March Brent. If adjusted for RINs' costs, the gasoline crack for merchant refiners is only about \$3.60/bbl, hardly reflecting traditional excess.

Cash prices for gasoline were mostly weaker than futures. Los Angeles lost about 2.35cts/gal while Group 3 dipped some 0.85cts/gal. Chicago rose 0.9cts/gal but with cheaper crude in Great Lakes' states, that market may be the most susceptible to a sell-off.

Cash diesel in New York is fetching about a \$16.25/bbl crack versus Brent, which isn't a bad return, but falls well short of the \$20/bbl to \$25/bbl predicted by banks trumpeting a 2020 distillate rally. February futures fell 0.81 cts/gal to \$1.9501/gal, not too far off some key technical support.

Meanwhile, there is no futures' market for the darling of January, the VLSFO market, but OPIS heard that the compliant residual fuel still commands \$24/bbl over Brent in the North Atlantic.

--Tom Kloza, tkloza@opisnet.com

(Continued on Page 3)

New York Mercantile Exchange at Settlement

WTI Crude Oil (\$/bbl)		
Month	Price	Change
FEB	59.56	-0.05
MAR	59.44	-0.02
APR	59.25	0.02

RBOB Unleaded (cts/gal)		
Month	Price	Change
FEB	165.27	0.39
MAR	166.31	0.33
APR	184.79	0.48

ULSD (cts/gal)		
Month	Price	Change
FEB	195.01	-0.81
MAR	195.07	-0.78
APR	194.41	-0.70

L.A. 3-2-1 Crack Spread*	
Price (\$/bbl)	Change
11.19	-0.81

*Crack is based on midpoints for L.A. CARBOB Gasoline, CARB and ANS

Snapshot of OPIS Mean West Coast Prompt Month Spot Pipeline Prices and Basis Differentials (cts/gal)

Product	Los Angeles				Bay Area				Pacific Northwest			
	Physical Prices		Basis Diff.		Physical Prices		Basis Diff.		Physical Prices		Basis Diff.	
	Mean	Change	Mean	Change	Mean	Change	Mean	Change	Mean	Change	Mean	Change
ULS No. 2	197.010	-1.060	2.000	-0.250	181.010	-0.310	-14.000	0.500	185.010	-0.810	-10.000	0.000
CARB No. 2	197.510	-0.560	2.500	0.250	181.010	-0.310	-14.000	0.500	---	---	---	---
Sub-oct Reg	184.770	-2.860	19.500	-3.250	170.770	-0.110	5.500	-0.500	166.270	0.390	1.000	0.000
Sub-oct Pre	197.520	-2.860	32.250	-3.250	193.770	-0.110	28.500	-0.500	200.770	0.390	35.500	0.000
CARBOB-R**	184.770	-2.860	19.500	-3.250	170.770	-0.110	5.500	-0.500	166.270	0.390	1.000	0.000
CARBOB-P**	202.520	-2.860	37.250	-3.250	193.770	-0.110	28.500	-0.500	200.770	0.390	35.500	0.000
JET **	197.260	-0.560	2.250	0.250	197.260	-0.560	2.250	0.250	198.760	-0.560	3.750	0.250
JET-WTG AVG	197.260	-0.560	2.250	0.250	---	---	---	---	---	---	---	---
B5	---	---	---	---	---	---	---	---	182.010	-0.810	-13.000	0.000
AZRBOB-R	197.020	-2.860	31.750	-3.250	---	---	---	---	---	---	---	---
AZRBOB-P	232.020	-2.860	66.750	-3.250	---	---	---	---	---	---	---	---
CARB RFG-R	181.440	-2.775	---	---	169.090	-0.300	---	---	---	---	---	---
CARB RFG-P	197.420	-2.775	---	---	189.790	-0.300	---	---	---	---	---	---

Full price display on page 2. Note: **L.A. Jet Fuel is JET-PipeLAX, Bay Area Jet Fuel is JET-Pipe, PNW CARBOB-R is Suboctane-Reg (FOB Seattle), PNW CARBOB-P is Sub-octane-Pre (FOB Seattle).

OPIS West Coast Prompt Spot Pipeline Prices and Basis Differentials (cts/gal)

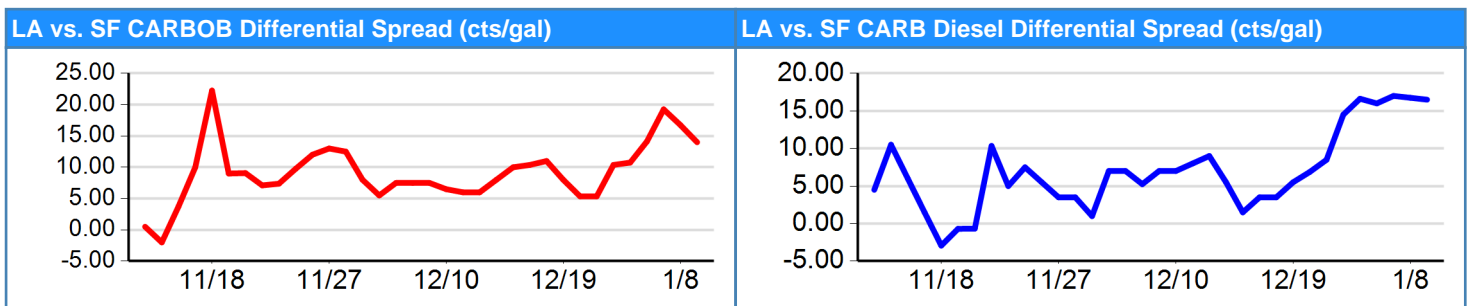
Los Angeles		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	Wt. Avg
ULS NO. 2	JAN	196.51	197.51	197.010	-1.060	1.50	2.50	2.000	-0.250	--
CARB No. 2	JAN	197.01	198.01	197.510	-0.560	2.00	3.00	2.500	0.250	197.510
JET-PipeLAX	JAN	197.01	197.51	197.260	-0.560	2.00	2.50	2.250	0.250	197.260
Sub-Oct Reg 13.5 RVP	JAN	184.27	185.27	184.770	-2.860	19.00	20.00	19.500	-3.250	--
Sub-Oct Pre 13.5 RVP	JAN	197.02	198.02	197.520	-2.860	31.75	32.75	32.250	-3.250	--
AZRBOB-R 8.0 RVP	JAN	196.52	197.52	197.020	-2.860	31.25	32.25	31.750	-3.250	--
AZRBOB-P 8.0 RVP	JAN	231.52	232.52	232.020	-2.860	66.25	67.25	66.750	-3.250	--
CARBOB-R 12.5 RVP	JAN	184.27	185.27	184.770	-2.860	19.00	20.00	19.500	-3.250	184.770
CARBOB-P 12.5 RVP	JAN	202.02	203.02	202.520	-2.860	36.75	37.75	37.250	-3.250	--
CARB-RFG Reg	JAN	180.84	182.04	181.440	-2.775	--	--	--	--	--
CARB-RFG Pre	JAN	196.82	198.02	197.420	-2.775	--	--	--	--	--

San Francisco		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	Wt. Avg
ULS NO. 2	JAN	180.51	181.51	181.010	-0.310	-14.50	-13.50	-14.000	0.500	--
CARB No. 2	JAN	180.51	181.51	181.010	-0.310	-14.50	-13.50	-14.000	0.500	181.010
JET-Pipe	JAN	197.01	197.51	197.260	-0.560	2.00	2.50	2.250	0.250	--
Sub-Oct Reg 15.0 RVP	JAN	170.27	171.27	170.770	-0.110	5.00	6.00	5.500	-0.500	--
Sub-Oct Pre 15.0 RVP	JAN	193.27	194.27	193.770	-0.110	28.00	29.00	28.500	-0.500	--
CARBOB-R 14.0 RVP	JAN	170.27	171.27	170.770	-0.110	5.00	6.00	5.500	-0.500	170.770
CARBOB-P 14.0 RVP	JAN	193.27	194.27	193.770	-0.110	28.00	29.00	28.500	-0.500	--
CARB-RFG Reg	JAN	168.44	169.74	169.090	-0.300	--	--	--	--	--
CARB-RFG Pre	JAN	189.14	190.44	189.790	-0.300	--	--	--	--	--

Pacific Northwest		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	
ULS NO. 2	PMT JAN	184.51	185.51	185.010	-0.810	-10.50	-9.50	-10.000	0.000	
JET-Pipe	PMT JAN	198.51	199.01	198.760	-0.560	3.50	4.00	3.750	0.250	
B5	PMT JAN	181.51	182.51	182.010	-0.810	-13.50	-12.50	-13.000	0.000	
Sub-Oct Reg 15.0 RVP	PMT JAN	165.77	166.77	166.270	0.390	0.50	1.50	1.000	0.000	
Sub-Oct Pre 15.0 RVP	PMT JAN	200.27	201.27	200.770	0.390	35.00	36.00	35.500	0.000	
Sub-Oct Reg 15.0 (Seattle)	PMT JAN	165.77	166.77	166.270	0.390	0.50	1.50	1.000	0.000	
Sub-Oct Pre 15.0 (Seattle)	PMT JAN	200.27	201.27	200.770	0.390	35.00	36.00	35.500	0.000	

Los Angeles Physical Forward Curve Prices		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	
CARBOB-R 12.5 RVP	FEB	192.81	193.81	193.310	0.330	26.50	27.50	27.000	0.000	
CARBOB-R 5.99 RVP	MAR	194.79	195.79	195.290	0.480	10.00	11.00	10.500	0.000	
CARBOB-R 5.99 RVP	APR	195.22	196.22	195.720	0.550	10.00	11.00	10.500	0.000	
CARB No. 2	FEB	196.07	197.07	196.570	-0.780	1.00	2.00	1.500	0.000	
JET-PipeLAX	FEB	196.82	197.82	197.320	-0.530	1.75	2.75	2.250	0.250	
JET-PipeLAX	MAR	195.91	196.91	196.410	-0.700	1.50	2.50	2.000	0.000	

*NOTE: L.A. gasoline prices are WEST LINE, and S.F. gasoline prices are NORTH LINE-ZERO LINE. Las Vegas gasoline is represented by L.A. regular sub-octane and premium sub-octane. AZRBOB is the year around gasoline product for Arizona. Pacific Northwest gasoline and No.2 oil prices are FOB Portland Olympic Pipeline; PNW Jet Fuel is FOB Seattle Barge. CARB RFG-R and CARB RFG-P in L.A. and S.F. is not a fungible pipeline product, but a reflection of the value of blending CARBOB with 10% ethanol. Ethanol quotes on page 4 are for ethanol delivered rail car to West Coast locations.



L.A. Paper Forward Curve Basis Differential (cts/gal)

Product	Timing	Low	High	Mean	Change
CARBOB	FEB	25.00	26.00	25.500	0.000
CARBOB	MAR	9.00	10.00	9.500	0.000
CARBOB	Q2	13.00	14.00	13.500	0.000
CARBOB	Q3	16.00	17.00	16.500	0.000
CARB No. 2	FEB	2.00	3.00	2.500	0.000
CARB No. 2	MAR	2.50	3.50	3.000	0.000
CARB No. 2	Q2	3.00	4.00	3.500	0.000
JET-PipeLAX	FEB	1.50	2.50	2.000	0.125
JET-PipeLAX	MAR	2.50	3.50	3.000	0.500
JET-PipeLAX	Q2	3.00	4.00	3.500	0.250

PADD 5 EIA Inventory - Week Ending 01/03

Location	This Week	Last Week	Last Year	Week Change	Year Change
Gasoline	32,646	31,561	30,672	1,085	1,974
No. 2 Oil	14,190	14,254	13,431	-64	759
ULSD < 15ppm	13,017	13,067	12,490	-50	527
Kerosene Jet	9,271	10,042	10,066	-771	-795
Residual Fuel	3,603	3,987	4,725	-384	-1,122
Crude Oil	51,007	52,012	46,911	-1,005	4,096
Crude Input	2,380	2,480	2,479	-100	-99

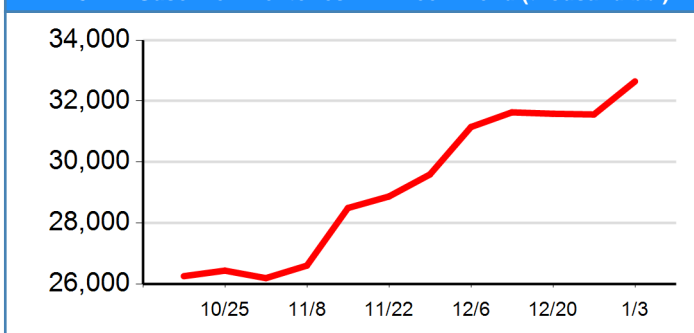
Note: Inventory levels are in thousands of barrels.

California CEC Inventory - Week Ending 01/03

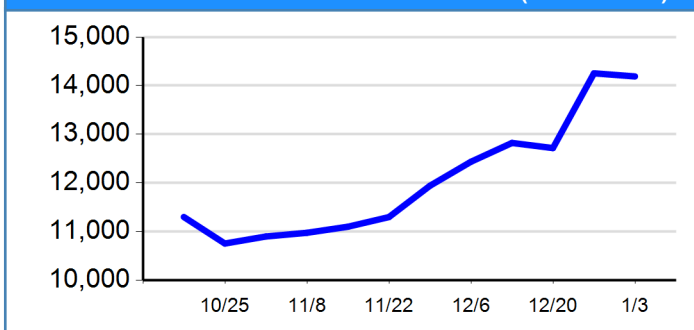
Location	This Week	Last Week	Last Year	Week Change	Year Change
CARB RFG	6,215	5,647	5,028	568	1,187
Non-Calif. Gasoline	1,001	960	1,633	41	-632
Gasoline Blend. Components	6,057	6,327	6,052	-270	5
CARB-Diesel	2,425	2,362	2,210	63	215
Other Diesel	2,304	2,836	1,798	-532	506
Kerosene Jet	2,626	2,894	3,180	-268	-554
Crude Oil	14,929	15,320	14,744	-391	185
Crude Input	11,306	12,020	11,573	-714	-267

Note: Inventory levels are in thousands of barrels.

PADD 5 EIA Gasoline Inventories - 12 Week Trend (thousand bbl)



PADD 5 EIA Distillate Inventories - 12 Week Trend (thousand bbl)



CALIFORNIA REFORMULATED MOGAS STOCKS UP 10% TO HIGHEST SINCE MID-AUGUST: CEC

California's boutique-grade gasoline stocks posted a solid 10% build last week, following two consecutive week draws, even though refinery production of those inventories only edged up, the California Energy Commission said on Thursday in its latest Weekly Fuels Watch Report.

CARB reformulated gasoline (RFG) stocks climbed 10.1%, to 6.215 million bbl for the week ended Jan. 3, which marked the highest since the week of Aug. 16, 2019, according to CEC data tracked by OPIS. Year on year, they are now nearly 24% higher than the 5.028 million bbl at the same time last year. Refinery output of RFG was 0.7% higher, at 6.753 million bbl.

Non-California gasoline stocks were up 4.3%, to 1.001 million bbl.

Stocks of gasoline blending component, which can be imported and include straight-run gasoline, alkylate, reformate, benzene, toluene and xylene, decreased 4.3% to 6.057 million bbl, and they are now mostly in line with year-ago levels.

A deeper examination of last week's data showed that Southern California CARB gasoline and blendstocks inventories posted a draw despite the overall build and now within their 5-year average, but those in Northern California were higher, according to CEC data.

Turning to distillates products, CARB diesel stocks were up about 3%, at 2.425 million bbl. They are nearly 10% higher than the 2.21 million bbl a year ago.

Other diesel fuel stocks, which include only EPA diesel and renewable diesel, dived 19%, to 2.304 million bbl. Still, they are 28% higher than the 1.798 million bbl in the year-ago week.

California jet stocks fell by 9.3%, to 2.626 million bbl during the week, as refinery production of jet slid nearly 23%, to 1.83 million bbl. Year on year, the state's jet stocks are now 17.4% lower than the 3.18 million bbl seen at the same time last year.

--Frank Tang, ftang@opisnet.com

SHELL REPORTS UNIT START UP AT MARTINEZ REFINERY: FILING

Shell's 158,000-b/d Martinez refinery in the San Francisco Bay Area reported a unit start up on Jan. 8, according to a filing with Contra Costa Health Services (CCHS).

"Advised that they were starting up a unit and that they were not expecting any off-site consequence or flaring," according to the CCHS filing. The filing did not specify the unit.

A spokesman with Shell said "normal ops" at the refinery.

OPIS previously reported an upset at the refinery on Oct. 27 that resulted in flaring. The refinery underwent planned maintenance in September 2019.

--Bayan Raji, braji@opisnet.com

WORLD BANK FORECASTS SMALL INCREASE IN GLOBAL ECONOMIC GROWTH IN 2020

Global economic growth is on "a fragile upward path" in 2020 after last year seeing its weakest performance since the 2008 global financial crisis, according to the latest forecast by the World Bank.

In its Global Economics Prospects report, the bank projects growth will rise by 2.5% in the coming year after seeing a 2.4% increase in 2019. The report, however, warns that an "unprecedented runup in debt worldwide," and slowing productivity growth could derail improvements.

"The world economy is poised for a modest rebound this year - if everything goes just right," the bank said.

(Continued on Page 4)

OPIS Spot Feedstocks	Range (cts/gal)		Diff to 70/30 (cts/gal)		Diff to WTI (\$/bbl)		Diff to ANS (\$/bbl)	
	Low	High	Low	High	Low	High	Low	High
Low Sulfur VGO	183.45	185.45	-5.00	-3.00	17.50	18.35	8.85	9.70
High Sulfur VGO	179.45	181.45	-9.00	-7.00	15.80	16.65	7.15	8.00
Light Cycle Oil	160.55	162.55	-36.45	-34.45	2.50	3.25	--	--

OPIS Spot NGL (cts/gal)		Propane		N.Butane		Butane Mix		Isobutane		N. Gasoline	
Market	Date	Low	High	Low	High	Low	High	Low	High	Low	High
Delivered LA Basis	1/09	98.50	102.50	102.50	105.50	102.50	105.50	109.63	110.13	---	---
Delivered Bakersfield	1/09	98.50	102.50	92.25	92.75	92.25	92.75	---	---	140.75	143.13
Delivered Bay Area	1/09	99.50	101.50	102.50	105.50	102.50	105.50	109.63	110.13	---	---

WC/WTI-NYMEX/Atlantic Basin Crude Values (\$/bbl)

Product	Low	High	Last	Change
Alaska North Slope	67.95	68.45	68.20	-0.07
Line 63	63.95	64.45	64.20	-0.07
THUMS	60.85	61.35	61.10	-0.57

Product	Low	High	Last	Change
SJV	60.10	60.60	60.35	-0.57
WTI	58.66	60.31	59.56	-0.05
Brent	64.56	66.10	65.37	-0.07

U.S. West Coast Crude Oil Postings (\$/bbl)

Location	API	Chev	API	PMTG	API	MOBIL
Buena Vista	26.0	67.41	26.0	68.06	26.0	68.84
Hunt. Beach	---	---	20.0	62.70	---	---
Kern River	---	---	13.0	59.70	---	---
Long Beach	---	---	27.0	66.15	---	---
Midway Sunset	13.0	62.86	13.0	63.19	13.0	64.16
Wilmington	---	---	17.0	60.45	---	---
Effective Date		01/08		01/07		01/08

Location	API	STUSCO	API	UNION 76
Buena Vista	26.0	68.70	26.0	63.30
Midway Sunset	13.0	64.15	13.0	58.00
Effective Date		01/08		01/08

Today's Closing Singapore Prompt Jet Kerosene Prices

Market	Low	High	Mean	Change
FOB Singapore (\$/bbl)	78.18	78.28	78.23	-3.130

OPIS Ethanol Prices (cts/gal)

Market	Timing	Low	High	Mean	Change
LA CI 79.90	PROMPT	150.00	153.00	151.500	-2.000
LA CI 79.90	ANY	150.00	153.00	151.500	-2.000
SF CI 79.90	PROMPT	152.00	156.00	154.000	-2.000
SF CI 79.90	ANY	152.00	156.00	154.000	-2.000
Oregon CI 69.89	PROMPT	150.00	154.00	152.000	0.000
Washington Eth.	PROMPT	143.00	144.00	143.500	0.000
Phoenix Eth.	PROMPT	138.50	141.00	139.750	0.000

OPIS California Low Carbon Fuel Standard

Product	Low	High	Mean	Change
Carbon Credit (\$/MT)	205.000	208.000	206.5000	0.5000
CI Pts Ethanol (\$/CI)	0.01671	0.01695	0.016830	0.000040
CI Pts Biodiesel (\$/CI)	0.02586	0.02624	0.026050	0.000065
Carbon CPG Diesel (cts/gal)	20.76	21.06	20.910	0.050
Carbon CPG Dsl 95% (cts/gal)	19.72	20.01	19.865	0.050
Carbon CPG Gasoline (cts/gal)	21.66	21.98	21.820	0.055
Carbon CPG Gas 90% (cts/gal)	19.50	19.78	19.640	0.045

OPIS U.S. RIN Values (cts/RIN)

Product	Year	Low	High	Mean	Change
Corn Ethanol	2018	6.00	7.00	6.500	1.500
Corn Ethanol	2019	9.00	10.00	9.500	1.125
Corn Ethanol	2020	15.00	16.00	15.500	0.875
Biodiesel	2018	39.00	41.00	40.000	3.000
Biodiesel	2019	43.00	48.00	45.500	3.500
Biodiesel	2020	40.00	42.00	41.000	2.250
Cellulosic	2018	78.00	80.00	79.000	-2.000
Cellulosic	2019	80.00	82.00	81.000	0.000
Cellulosic	2020	80.00	82.00	81.000	0.000
Adv. Biofuel	2018	38.00	41.00	39.500	3.000
Adv. Biofuel	2019	42.00	48.00	45.000	3.500
Adv. Biofuel	2020	39.00	42.00	40.500	2.250

The growth will be driven by emerging and developing economies, which the bank says will see growth accelerate to 4.1% this year from 3.5% in 2019. Meanwhile, the bank projects growth in advanced economies will slow from 1.6% in 2019 to 1.4% this year, with the decline reflecting lingering weakness in manufacturing.

The report notes that most commodity prices fell in 2019 due to reduced growth. Oil prices, measured by the bank as an average basket of Brent, Dubai, and West Texas Intermediate crude, declined 10% from 2018 levels to an average \$61/bbl in 2019. The report projects oil will decline further in the coming year, averaging \$59/bbl in 2020 and 2021, although a further significant reduction in trade tensions between the United States and China could boost oil demand, the report said.

The semi-annual report warns there are several circumstances that could hamper economic growth in the coming year. These include trade disputes, a slowdown in major economies that could have worldwide impacts, extreme weather, geopolitical tensions and financial problems in emerging markets similar to those seen in Argentina and Turkey in 2018.

Steve Cronin, scronin@opisnet.com

WEST COAST REFINED PRODUCTS LOGIC:

L.A. CARBOB-R 12.5 RVP: January prompt was assessed at the NYMEX February RBOB contract plus 19.50cts/gal, based on bids at plus 10cts/gal and offers at plus 20cts/gal.

L.A. CARB No. 2: January prompt was assessed at the NYMEX February ULSD contract plus 2.50cts/gal, based on an offer at plus 3cts/gal and no bids heard.

L.A. ULS No. 2: January prompt was assessed at the NYMEX February ULSD contract plus 2cts/gal, based on a trade at that level.

L.A. JET-Pipe LAX: January prompt was assessed at the NYMEX February ULSD contract plus 2.25cts/gal, based on trades between plus 2cts/gal and plus 2.50cts/gal.

S.F. CARBOB-R 14 RVP: January prompt was assessed at the NYMEX February RBOB contract plus 5.50cts, based on a North/South offer at minus 10cts/gal and no bids heard.

S.F. CARB No. 2: January prompt was assessed at minus 14cts/gal to the NYMEX February ULSD contract, based on bids at minus 17cts/gal and offers at minus 9cts/gal.

PNW SUB-OCT Reg 15 lb. RVP: January prompt was

(Continued on Page 5)

Calif. Carbon Allowance Assessments (\$/mt)

Vintage	Timing	Low	High	Mean
Previous Yr.	PMT JAN '20	17.90	17.92	17.910
Previous Yr.	FWD DEC '20	18.70	18.72	18.710
Current Yr.	PMT JAN '20	17.90	17.94	17.920
Current Yr.	FWD DEC '20	18.70	18.76	18.730
Next Yr.	PMT JAN '20	17.90	17.92	17.910
Next Yr.	FWD DEC '20	18.71	18.73	18.720

Prompt Calif. Cap-at-the-Rack Prices (cts/gal)

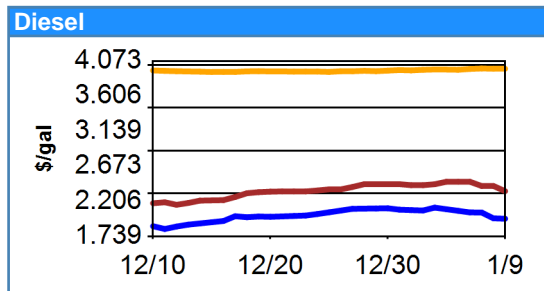
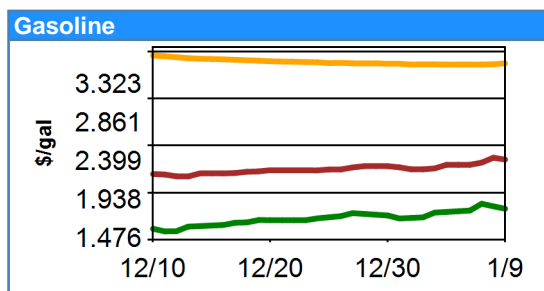
Product	Price	Wk Avg	30-Day Avg
Winter CARB RFG-R	14.41	14.392	14.150
Winter CARB RFG-M	14.41	14.392	14.150
Winter CARB RFG-P	14.43	14.410	14.168
CARB No.2	18.35	18.330	18.021
B5 Biodiesel	17.43	17.414	17.121
LPG	10.43	10.418	10.242
LNG (cts/DGE)	13.12	13.102	12.883

Today's Spot-to-Rack-to-Retail Snapshot

Gasoline (\$/gal)	Price	Change
Basket of Racks	2.437	-0.022
Retail Average	3.591	0.011
L.A. CARBOB-R	1.848	-0.029

Diesel (\$/gal)	Price	Change
Basket of Racks	2.342	-0.070
Retail Average	3.970	0.000
L.A. CARB No. 2	1.975	-0.006

30-Day Spot-to-Rack-to-Retail Trend



Legend

- L.A. CARBOB-R (Green line)
- Basket of Racks (Red line)
- L.A. CARB No. 2 (Blue line)
- Retail Average (Yellow line)

NOTE: The methodology for the Rack-to-Retail Trend Snapshot can be found at: <http://www.opisnet.com/about/methodology.aspx>.

assessed at the NYMEX February RBOB contract plus 1ct/gal, unchanged on the day, based on bids at minus 2cts/gal and offers at plus 2cts/gal.

PNW ULS No. 2: January prompt was assessed at the NYMEX February ULSD contract minus 10cts/gal, unchanged on the day, with no bids or offers heard.

WEST COAST REFINED PRODUCTS ANALYSIS:

West Coast refined products prices posted mostly losses, although slight upward futures buying did give Pacific Northwest gas a modest boost. Both Los Angeles and San Francisco CARBOB cash differentials remained near recent highs, but were assessed cheaper than Wednesday's assessment mean.

Prompt January-delivered Los Angeles CARBOB was valued at NYMEX February RBOB futures plus 19.50cts/gal. Offers were heard at plus 20cts/gal and bids at plus 10cts/gal. Although Los Angeles CARBOB premiums remained at elevated levels in contrast to recent marks, basis differentials were nearly 3cts/gal lower than the previous session's closing mean.

Outright L.A. CARBOB prices lost about 3cts/gal, mostly off weaker cash differentials, and finished the session at \$1.8477/gal. On Jan. 7, CARBOB broke above \$1.90/gal for the first time since mid-November amid reports of unplanned flaring at Marathon's Carson, Calif., refinery and refiner buying in the spot market.

San Francisco CARBOB cash differentials were unchanged at a premium of 5.50cts/gal against the Merc, or 0.50cts/gal weaker than yesterday's assessment mean. That's also the last level confirmed traded on Wednesday. Offers were heard at minus 10cts/gal against Los Angeles CARBOB and no bids to counter. Outright prices edged down a bit to \$1.7077/gal.

Bay Area CARBOB also experienced a rally similar to L.A. this week, with barrels transacting at a premium to the NYMEX for the first time in more than six weeks during yesterday's session.

Pacific Northwest is the only region where gasoline closed in the black, although gains were under a half-penny. Sub-octane was assessed at \$1.6627/gal, 0.39cts/gal higher. Bids were heard at 2cts/gal below the screen and offers at 2cts/gal over the Merc.

Distillates products were a penny or so lower due to futures selling.

Los Angeles CARB diesel cash differentials were assessed at the last level talked on Wednesday at at February ULSD futures plus 2.50cts/gal. Offers were heard at plus 3cts/gal. Outright prices were assessed 0.56cts/gal lower at \$1.9751/gal.

February-delivered CARB diesel was heard offered at a 5cts/gal premium to March ULSD futures, with no bids heard against it.

Los Angeles jet fuel was confirmed traded at the Merc plus 2cts/gal to plus 2.50cts/gal, leaving off on the stronger end of the range. Prices still gave up 0.56cts/gal, ending the day at \$1.9726/gal.

San Francisco CARB diesel was assessed at a 14cts/gal discount to the NYMEX. That's a half-penny tighter than Wednesday's mean and the last level confirmed traded. Bids were heard at the Merc minus 17cts/gal and offers heard at minus 9cts/gal. Outright prices were assessed at \$1.8101/gal, off 0.31cts/gal.

Pacific Northwest ULSD was valued at a 10cts/gal discount to the screen, unchanged from the previous session's mean. Bids and offers were not heard. Full-day prices were down the full 081cts/gal with paper selling to \$1.8501/gal.

--Bayan Raji, braji@opisnet.com

OPIS West Coast Spot Market Deal Log

Los Angeles

Product	Timing	Differential	Reference	kbbl	Notes
CARB No2 Prompt	JAN	0	Feb No2	10	Pipe only
ULS No2 Prompt	JAN	+2.00	Feb No2	10	
Jet LAX Prompt	JAN	+2.00	Feb No2	25	
Jet LAX Prompt	JAN	+2.25	Feb No2	25	
Jet LAX Prompt	JAN	+2.50	Feb No2	25	

San Francisco

No deals confirmed.

Pacific Northwest

No deals confirmed.

Los Angeles Paper

Product	Timing	Differential	Reference	kbbl	Notes
Jet LAX Any	FEB	+2.00	Mar No2	25	
Jet LAX Other	MAR	+3.00	Apr No2	25	
Jet LAX Other	Quarter 2	+3.50	Jun No2	75	



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U.S. West Coast Price Discovery Methodology

Editors confirm and record deals done for gasoline and distillate products with a minimum pipeline size of 10,000 bbl in California and 5,000 bbl in the Pacific Northwest. As the majority of the market is done on an EFP basis, we follow deals as basis discounts or premiums to the New York Mercantile Exchange. We consider fixed-price deals only if they fall within the full-day differential range based off the NYMEX at settlement. Fixed price deals in California spot markets are converted to an EFP when reported and confirmed and then reapplied to the NYMEX settlement price.

OPIS does publish "prompt" ranges, which are trades that reflect "any month / buyers option" transactions. "Buyers option" gives the buyer the choice of taking delivery in any of the four cycles in throughout the month. In Los Angeles, OPIS identifies the prompt Kinder Morgan cycle for timing clarity but ranges are buyer option/any month lifting.

OPIS works with the Kinder Morgan Pipeline to determine the timing of the various cycles throughout the month. Typically, each month has four pumping cycles. In cases where it is close to the end of the months trading cycle, OPIS reserves the right to roll coverage forward to the more liquid month.

For the Los Angeles market, OPIS follows the Kinder Morgan West Line, and in the Bay area the OPIS assessment is for the Kinder Morgan Zero Line. In the Pacific Northwest, prices are FOB Portland - Olympic Pipeline and jet fuel is FOB Seattle barge. For complete methodology, visit <http://www.opisnet.com/about/methodology.aspx>

Global Head - Energy Analysis:

Tom Kloza
732.730.2558
ICE IM: tkloza
tkloza@opisnet.com

Director - Data, Pricing & Info:

Ben Brockwell
+1 732.730.2519
ICE IM: bbrockwell1
bbrockwell@opisnet.com

Vice President, Strategic Content:

Steve Tan
+65 96423267
Steve.Tan@ihsmarkit.com

Director- Refined Products and Renewable Fuels:

Jennifer Brumback
+1 727.202.6501
ICE IM: jbrumback2
jbrumback@opisnet.com

Associate Director - West Coast and Carbon:

Lisa Street
+1 832.679.7225
ICE IM: lstreet2
lstreet@opisnet.com

Managing Editor - Northeast, Gulf Coast and Midwest:

Carly John
+1 301.284.2114
ICE IM: cwright9
cjohn@opisnet.com

West Coast:

Frank Tang
+1 917.455.0926
ICE IM: ftang
ftang@opisnet.com

Kylee West
+1 301.284.2108
ICE IM: kwest
kwest@opisnet.com

Carbon Markets:

Bridget Hunsucker
+1 832.679.7163
ICE IM: bhunsucker1
bhunsucker@opisnet.com

Midwest:

Bayan Raji
+1 832.679.7227
ICE IM: braji1
braji@opisnet.com

Justin Schneewind
+1 281.531.8192
ICE IM: jschneewind2
Justin.Schneewind@ihsmar
kit.com

Ethanol/Biodiesel:

Spencer Kelly
+1 301.284.2022
ICE IM: skelly15
skelly@opisnet.com

Gulf Coast:

Cory Wilchek
+1 301.284.2110
ICE IM: cwilchek
cwilchek@opisnet.com

Andrew Atwal

+1 301.284.1961
ICE IM: aatwal
aatwal@opisnet.com

European Products:

Paddy Gourlay
(75) 95117236
ICE IM: paddygourlay
pgourlay@opisnet.com

Asian Products:

Hanwei Wu
+65 98341951
Hanwei.Wu@ihsmarkit.com

Northeast:

Rachel Stroud-Goodrich
+1 301.284.2190
ICE IM: rstroudgoodrich
rstroud-
goodrich@opisnet.com

Market News Coverage:

Denton Cinquegrana
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For subscription information, please call 888.301.2645 (U.S. only) or +1 301.284.2000
or email energy@opisnet.com.